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CENTRAL INTELLIGENCE AGENCY

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background information on activities and future plans of Cekep
 and on personnel changes in its central offices in Warsaw.

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**CURRENT ACTIVITIES IN CEKOP -- POLISH FOREIGN TRADE ENTERPRISE FOR
PLANT EQUIPMENT AND COMPLETE FACTORIES**

I. Information on activity in special markets:

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1. USSR

Realization

In 1958, only the deliveries of porous concrete plants are being realized. Except for minor defects, deliveries are generally acceptable.

In 1959, further deliveries of porous concrete plants are to be realized for a total of about 13 million rubles and deliveries of two sugar beet mills for a total of about 41 million rubles. These are contracted for and included in international agreements.

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Contracts have been made for deliveries of two sugar beet mills in 1960. There are also possibilities of contracting for more porous concrete plants.

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Long-range plans for 1961-1965

At the present time, there are teams of specialists in the USSR under the direction of CEKOP representatives; by the end of this year, they will sign technical protocols concerning deliveries of complete objects from Poland to the USSR, called for in the government protocols of 9 April and 1 August of 1958.

They are the following deliveries:

<u>Name of Object</u>	<u>Sum</u>	<u>1961</u>	<u>Delivery deadlines</u>			<u>1965</u>
			<u>1962</u>	<u>1963</u>	<u>1964</u>	
Sugar refinery (3,000 tons a day)	15 units	3	3	3	3	3
Yeast works	9 units	1	2	2	2	2
Bone glue factory	6 units	1	1	1	1	2
Fiberboard plants	50 mil rbl	10	10	10	10	10
Refrigerators (including freon-type)	80 mil rbl 16 mil rbl	10	12	14	14	14
Total	550,000,000					

The present course of discussions indicates that the above contingents will be significantly exceeded: an increase of deliveries of sugar beet mills and bone glue factories is expected.

The Soviets struck out of the initial draft of the Government Agreement (9 April) one of the main items -- 25 porous concrete plants -- because they had the capacity to develop this industry on their own. There is,

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however, a possibility of cooperation [between the two countries] in the supplying of some of this equipment to the USSR.

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Preliminary negotiations by the Soviets include items the delivery of which (by 1960 at the earliest) would go beyond the scope of the Government Protocol. They are: hydrometer factories, electrical meters, and coal washers.

There is a possibility that after preliminary agreement these items will be included in a supplementary Polish-Soviet Government Agreement concerning deliveries in 1961-1965.

2. Chinese People's Republic

China is CEKOP's second market in value of exported objects:

Realization includes two washers and a sugar combine. These objects will be released for use in the first half of 1959, and in April of this year (7 April), special discussions were opened between government delegations of Poland and China concerning deliveries in 1959-1962.

The agreement provides for, among other things, delivery of 17 complete industrial objects to China.

In connection with this, there recently were or still are in China more than 40 different specialists from CEKOP and industry, who as a result of talks with the Chinese people have already negotiated contracts for delivery of complete objects valued at over 210 million rubles, including a sum of over 77 million rubles in the framework of the government agreement.

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We expect that in a very short time more contracts will be negotiated at a value of about 80 million rubles.

The most important items for which contracts have already been negotiated include railroad car factories, cement works, equipment for five coal enriching plants, four fiberboard plants, a wood products extraction plant [probably for extract^{ion} of resin or turpen^tine] equipment for three nitrogen fertilizer plants, coal mines, a plant for dry distillation of wood, four 30-megawatt power blocks, three 50-megawatt power blocks, two 2-megawatt power blocks, and others.

3. Albania

The CEKOP delegation (Kochankiewicz, Niedzielski, and industry representative Pokorny) recently negotiated a contract for delivery of a screws and nails factory at a value of 1.8 million rubles. This object will figure in the credit agreement for 1958-1960 signed in February 1958.

In Warsaw, talks are now going on concerning delivery in 1959 and in the years 1961-1965. It is expected that in 1961-1965, Poland will export to Albania: a glass works, a zinc utensils factory, railroad repair shops, and railroad ties equipment.

4. Bulgaria

CEKOP delegate Przastek is now in Sofia to sign a protocol for a contract to deliver a yeast works valued at about 1.4 million rubles. At present, trade talks are going on and Engineer Siegenfeld is CEKOP's representative in these talks.

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5. Czechoslovakia

In November, a protocol was signed in Prague concerning deliveries in 1959, including deliveries of light concrete plants and sugar mill equipment. This protocol provides also for creation of an interim commission for deciding on additional deliveries in 1959. CEKOP also hopes to deliver one plant for porous concrete and central heating boilers.

Besides this, master of engineering Anselm signed a separate agreement for delivery in 1959-1960 of three porous concrete plants.

Moreover, on 6 December 1959 a protocol was signed establishing the scope of mutual deliveries for 1961-1965. The most important item from the Polish point of view in this protocol is delivery of seven porous concrete plants.

6. Rumania

On 9 December a Polish-Rumanian protocol was signed establishing the scope of mutual delivery in 1961-1965. This protocol provides for delivery to Rumania of one porous concrete plant, one sugar mill and two fiberboard factories.

The delivery of a zinc reduction plant is being realized.

7. Hungary

In September 1958 a protocol was signed of mutual deliveries in 1961-1965 calling for delivery of two porous concrete plants. The protocol for 1959 calls for supply of central heating boilers for a total value of one million rubles.

8. Vietnam (democratic)

Deliveries of four power-boiler installations valued at 14 million rubles are being realized.

This year a contract was signed for the delivery of a 1,000-tons-a-day sugar mill valued at more than 12 million rubles.

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Vietnam is interested in importing from Poland: a coal-cleaning plant, a glue and gelatin factory, a freight car factory, electric power plant modernization, and construction of high-tension lines.

9. North Korea

North Korea indicates an interest in plants for dry distillation of wood.

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18. Yugoslavia

On the Yugoslav market, we have closed contracts for delivery of two power boilers, five storage refrigeration units, a lignite coke works, equipment for production of steel on a laboratory scale, a plant for light concrete, and modernization of a glass works. Part of these contracts have already been realized and the rest are in the process of realization, with the exception of a contract for the delivery of a porous concrete plant for which all formalities have not yet been completed.

Most necessary items for further acquisition on this market are refrigerators, boilers, and chemical equipment plants.

We have submitted several offers for refrigerators and in the future, we shall carry out an acquisition campaign with aid of the future partner and our permanent agent.

Our objectives of cooperation with Yugoslav industry have the biggest chances of export if priority in receiving investment credits is given to the domestic firms which indicate the greatest amount of interest in our industry.

This month the competition for building a sugar mill in Yugoslavia will be decided; CEKOP has taken part in this and submitted six offers for deliveries in cooperation with Yugoslav industry.

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We shall make efforts to win a partner for joint construction of silos. In the field of the chemical industry, we are negotiating at present for a factory for naphthalene derivatives, a factory for the production of steelon (a very important transaction -- about 10 million dollars).

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